

April 27, 1983

LB 219

SENATOR CLARK: Okay, thank you.

PRESIDENT: Is there further discussion on the committee amendments? If not, the question is the adoption of the Retirement Committee amendments? All those in favor vote aye, opposed vote no. The motion is the adoption of the committee amendments to LB 219. Will you please record your vote in order to expedite our afternoon's proceedings. Please record your vote on the proposed amendments. Please record your vote on the committee amendments to LB 219, please. Have you all voted? The Clerk will record the vote.

CLERK: 28 ayes, 0 nays on the adoption of the committee amendments, Mr. President.

PRESIDENT: The committee amendments are adopted. Senator Fowler.

SENATOR FOWLER: The committee amendments in many ways become the bill but let me explain kind of again the changes that are there. One is to enable...right now for someone to be in the State Retirement System they have to be age 30 and have two years of service. Now other systems have age 25, others have age 21. Our decision in the committee was to try and bring the state system in conformity but not require those under age 30 to involve. So permanent employees under this bill between age 25 and 30 could elect, could elect, to go into the State Retirement System if they choose. After age 30 it would be mandatory. Permanent part time employees also would be able to elect. Right now if you are a career part time employee as exists in some state agencies including the Legislature, you are not able to elect to be in the retirement system and this would enable them to have the option to join, nonmandatory. So those two changes have a fiscal impact as our committee actuary has identified, \$150,000 for the employees between age 25 and 30 to join the system. That is the general fund cost distributed over all state agencies, and then the permanent part time employees, \$30,000 general fund, again distributed over all state agencies. Another change is to the vesting schedule. As I indicated it would allow 100% vesting in contributions after five years of participation. Now the estimate as far as the impact of that plus a change in the penalty for withdrawal indicates that probably there would be a loss of revenue of \$75,000...so the committee actuary estimate on that. There are a couple of other sections that do not have a fiscal impact to the state. One is the lump sum benefit that I talked about, the change in that. The other is to enable an employee